

MSHDA's Project-Based Voucher Program Frequency Asked Questions (FAQ)

Question: What is MSHDA's process for awarding PBVs to a project?

Answer: The owner/sponsor must have received financing for the development through a competitive process such as LIHTC, HOME, MSHDA financing, within the last three years. This award must have been provided with no consideration that the project would receive project-based vouchers

Question: Once the owner receives the competitive award letter, who do they contact to apply for the PBVs?

Answer: Upon receipt of the competitive award letter, the owner should contact Kathy French, Project-Based Voucher Specialist, to discuss the PBV Application and Proposal Process. The contact information is frenchk@michigan.gov or 517-241-0505. MSHDA's website also details the process at http://www.michigan.gov/mshda/0,4641,7-141-5555_60730---,00.html.

Question: Does the owner have to target the PBV units to a certain targeted population?

Answer: Yes. MSHDA's PBV program targets very low income supportive housing populations. The owner must target the PBV units to families/individuals that are special needs, homeless, chronically homeless, homeless youth and/or domestic violence survivors. The owner must execute a Memorandum of Understanding (MOU) with local service agencies to ensure supportive services are made available to the participants in the PBV units for the duration of the PBV HAP contract.

Question: As an owner/sponsor, who do I contact to discuss the service requirements and the execution of an MOU?

Answer: Christine Miller, Supportive Housing Specialist, 517-373-7283, millerc10@michigan.gov

Question: What is the definition of an "existing housing" project?

Answer: Per the federal regulations, in order to be considered an "existing" project, the PBV units must exist on the Proposal Selection date and must substantially comply with HQS on that date. The units must fully comply with HQS before execution of the HAP contract.

Question: What is the definition of a rehabilitation housing project?

Answer: Per the federal regulations, rehabilitation housing consists of housing units that exist on the Proposal Selection date, but do not substantially comply with HQS on that date, and are developed, pursuant to an Agreement between the PHA and owner, for use under the PBV Program.

Question: When is Subsidy Layering Review required and who do I contact to have this completed?

Answer: Subsidy Layering Review (SLR) approval is required for all PBV rehabilitation and new construction projects in accordance with 24 CFR 983.55. The contact person for SLR approval is Bob Platte, platter@michigan.gov or 517-335-5174.

Question: When is Environmental Review required and who do I contact to have this completed?

Answer: Environmental Review is required for existing, rehabilitation and new construction projects in accordance with 24 CFR Part 58. The Environmental Review must be completed prior to execution of the Housing Assistance Payment (HAP) contract for existing projects and prior to the Agreement to enter into a Housing Assistance Payment (AHAP) for rehabilitation and new construction projects. The contact person for Environmental Review is Michael Vollick, vollickM2@michigan.gov or 313-456-2596.

Question: When is the AHAP required?

Answer: The AHAP is required for all rehabilitation and new construction housing projects and **must** be executed prior to the commencement of any construction work. Environmental Review and Subsidy Layering Review must be completed prior to the execution of the AHAP.

Question: Do PBVs trigger Prevailing Wages and EEO?

Answer: For rehabilitation and new construction projects the following apply:

- Training, Employment and Contracting Opportunities apply if the total of the contract rents for all units under the proposed HAP contract over the maximum term of the contract is more than \$200,000.
- Equal Employment Opportunity applies only to construction contracts of more than \$10,000.
- Labor Standards apply when the AHAP covers nine or more PBV units.

Question: Who do I contact regarding section 3 and EEO requirements?

Answer: The contact person for section 3 is Guy Stockard, stockardg@michigan.gov or 517-373-6725. The contact person for EEO is Melissa Patrick, PatrickM1@michigan.gov or 517-241-0541.

Question: Who do I contact for the architectural review for compliance with UFAS?

Answer: The contact person is Maryanne Vukonich, vukonichM@michigan.gov or 517-373-9478.

Question: How are the initial rents determined for the PBV HAP contract?

Answer: The initial rents are established in accordance with 24 CFR 983.301.

For units located in a non-QCT and where the published Tax Credit rent is higher than 110% of the Fair Market Rent, the rent is established based on the lesser of:

- Tax Credit Rent minus tenant-paid utilities
- Rent Requested by the owner
- Rent Reasonableness

For units in a non-QCT where the published Tax Credit is less than 110% of the Fair Market rent or for units located in a QCT, the rent is established based on the lesser of:

- 110% of the Fair Market Rent
- Rent Requested by the owner
- Rent Reasonableness

Question: How and when are rents redetermined?

Answer: Rents are redetermined based on the criteria listed above and in accordance with 24CFR983.302. The PHA must redetermine rents to the owner:

- Upon the owner's request; or
- When there is a five percent or greater decrease in the published FMR.

Question: When there are multiple funding sources in a project (PBV, HOME and LIHTC) which program rules supersede as it relates to compliance with income and rent limits?

Answer:

1. The income limits for each individual program must be reviewed for move-in income eligibility purposes.
2. If income eligible, households must meet all other program and project eligibility requirements.
3. The rent limits for each program must then be reviewed and the most restrictive rent limit must be applied.

Question: What is the effective date for any redetermination of rent?

Answer: The redetermination of rent (decrease or increase) takes effect at the anniversary date of the PBV HAP contract.

Question: Who is responsible for the Housing Quality Standards (HQS) Inspection?

Answer: The MSHDA contracted Housing Agent is responsible for conducting HQS inspections on the PBV units prior to execution of the HAP contract and annually for each PBV unit.

Question: What is the initial term of the PBV HAP contract?

Answer: The initial term of the PBV HAP contract is 15 years, with an additional 15 year renewal based on HUD appropriations.

Question: Who should I contact when I have a vacancy in a PBV unit and who manages the waiting list for the PBV units?

Answer: You should contact the MSHDA contracted Housing Agent when you become aware of a vacancy. The Housing Agent will pull the next name from the PBV waiting list established by MSHDA to fill the vacancy. The Housing Agent manages the waiting list for the PBV units.

Question: Is the owner eligible for vacancy loss payments?

Answer: Yes. The owner is eligible for vacancy loss after the initial lease-up of the unit. The maximum vacancy loss is 60 days or the date the unit is re-rented, whichever comes first.